

# **Kentucky Agricultural Development Board**

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## ***Minutes of the January 18, 2008 Board Meeting***

The Kentucky Agricultural Development Board (KADB) meeting was held on **January 18, 2008** at **10:15 a.m. EST**, at the Franklin County Extension Office, in Frankfort, KY. Governor Steven L. Beshear, presiding, called the meeting to order, and the Secretary called the roll.

### **Roll Call**

#### ***Members Present***

Governor Steven L. Beshear; Donna Amburgey; H. H. Barlow; Vickie Yates Brown; John Cleaver; Rodney Dick; Commissioner Richie Farmer; Secretary John Hindman (Don Goodin, designee); Wayne Hunt; Jim Mahan; Wayne Mattingly; Sam Moore; Dr. Mary Sias; Dean M. Scott Smith

#### ***Members with Excused Absences***

Dennis Griffin, Richard Warner

#### ***Others Present***

**Staff** - Catherine Ball, Angela Blank, Kyle Day, Cyndi Hall, Bill Hearn, Todd Harp, Tim Hughes, Christi Marksbury, Bill McCloskey, Joel Neaveill, Kylee Smith, Roger Thomas, Nick Whobrey

**Guests** – Keith Rogers; Michael Judge & John Roberts Kentucky Department of Agriculture; Kara Keeton, Keeton Communications; Ivor Chodkowski, Grasshopper's Distribution, LLC; Billy Van Pelt, Lexington Fayette Urban County Government; Keenan Bishop, Franklin County Extension Agent; Mr. Stephen Sparrow, Greenleaf Fertilizer Company; Larry Snell & Nathan Routt, KCARD; Dawn Riley

### **Notification of Media**

Governor Beshear received verification that the media had received Notice regarding the Kentucky Agricultural Development Board monthly meeting.

### **Welcome**

Governor Beshear welcomed everyone to the Kentucky Agricultural Development Board meeting.

### **Approval of Minutes**

**Sam Moore** moved to approve the revised version of the minutes for the **December 27, 2007** meeting. **Jim Mahan** seconded the motion. The motion passed without dissent.

### **Vote to Hire CEO of Kentucky Agricultural Development Board**

According to a memo written by Catherine Ball, **staff recommends that Mr. Roger Thomas be given the authority to serve as the Executive Director and Chief Executive Officer of the**

**Kentucky Agricultural Development Board. In this capacity Mr. Thomas may enter contracts binding the Board and may act in all ways on behalf of this Board as its representative. All actions by Mr. Thomas from January 7, 2008 to date on behalf of this Board are hereby affirmed. In the event Mr. Thomas is unable to act in this capacity, the Chair of the KADB shall have the authority to enter into contracts on behalf of the Board. Jim Mahan moved to accept the staff recommendations. Donna Amburgey seconded the motion. The motion passed without dissent.**

**Sam Moore moved to hire Roger Thomas as CEO of the Kentucky Agricultural Development Board. Dean Smith seconded the motion. The motion passed without dissent**

### **Executive Director's Report**

Governor Beshear called on Roger Thomas to give the Executive Director's Report. Mr. Thomas thanked the board for hiring him. He thanked the Governor for his confidence in him and for his attendance at the KADB meetings.

Mr. Thomas gave an update on activities concerning the staff. Since he began working on January 7, 2008 there have been two staff meetings as well as individual meetings with each staff member. Mr. Thomas pledged to address issues and concerns resulting from the UK Study swiftly. One change is to have the Project Analysts more involved with compliance. They will also be more involved with the Kentucky Agricultural Finance Corporation (KAFC) and vice versa. He noted that the staff was working to improve the application process, making it more efficient and easier for applicants.

Mr. Thomas reported that the Tobacco Oversight Committee requested an overview of the Farmers' Markets that the KADB has funded.

Mr. Thomas thanked the Governor for speaking at the annual Kentucky Cattlemen's Convention. He stated that it sent a good message to the agricultural community.

Mr. Thomas gave a brief summary of his meetings with project applicants and potential applicants.

Mr. Thomas gave a legislative update on bills relating to agriculture. House Bill 87 is the most critical as it would take \$20 Million of Kentucky Agricultural Development Funds and use them for drought relief. Mr. Thomas has met with the sponsor of this bill and it has been pulled from the Appropriations and Revenue Committee's agenda. However, the KADB needs to address issues concerning the drought in a pro-active manner. Other House Bills (329 and 333) address the shortage of large animal veterinarians.

In the future KAFC could possibly administer a program that would provide loan forgiveness to veterinarians as an incentive to open large animal practices in the state of Kentucky.

Mr. Thomas apologized for the miscommunication with Dr. Sias resulting in her not getting the change of date and location for the December KADB meeting.

Mr. Thomas also noted that Dennis Griffin was under doctor's orders to rest. Mr. Griffin hopes to be at the February meeting.

Project A2007-0474, Allied Food Marketers West, Inc., was asked to submit a revised budget from the recipient review committee that met yesterday. They will not be presenting today, remaining in Deferred status. They will make their presentation at the February meeting at which time they can come out of Deferred and into Pending, if so desired, so that the board can take action.

The memo regarding **change of date for the March meeting from March 21<sup>st</sup> to March 14<sup>th</sup>** was presented to the board. **Mr. Dick moved to adopt the changes. Mr. Cleaver seconded the motion. The motion passed without dissent.**

### **Old Business**

Per the motions made in the December 27, 2008 meeting, a committee was formed to discuss adding The Beef Connection, LLC as a vendor to the Farm Pilot Program. Nick Whobrey gave a report on the meeting which took place on Friday January 11, 2008. In attendance were Bob Sand & Derrick Tingle, The Beef Connection; John Stevenson & Jay Busby, Kentucky Beef Network; Sam Moore, Wayne Mattingly, John Cleaver, Nick Whobrey and Joel Neaveill. They will meet again on January 30, 2008 to see if there is a way to work together complementing each other and not duplicating efforts.

Mr. Thomas called on Mr. McCloskey with Kentucky Agriculture Finance Corporation (KAFC). Mr. McCloskey gave the financial report (on file with the board secretary). He noted that the KAFC Board did not meet in January and that it had no time-sensitive applications. The next meeting will be February 1, 2008 at the Transportation Cabinet Building in Frankfort.

**Dean Smith made a motion to recommend to KAFC to raise the borrowing limit on beginning farmer loans and infrastructure loans to \$250,000. Mr. Mahan seconded the motion. Mr. Moore amended the motion to increase the terms of beginning farmer loans to 15 years. Mr. Barlow seconded the amendment. The amendment passed without dissent. The amended motion passed without dissent.**

Governor Beshear relinquished the Chair for the remainder of the meeting to Commissioner Farmer at 10:55 a.m.

The meeting was adjourned for a brief recess at 11:10 a.m. and reconvened at 11:25 a.m.

Commissioner Farmer called on Tim Hughes to update the board on the status of the County Comprehensive Plans. Mr. Hughes summarized five additional plans regarding the County Comprehensive Plans (on file with the board secretary). **Mr. Dick made a motion to accept the submitted plans. Dean Smith seconded the motion. The motion passed without dissent.**

Nick Whobrey asked for clarification on lifetime limits for the Heifer and Cattle Genetics program. **A recommendation was made that the lifetime limits for the Heifer component be set at \$5,000. A separate lifetime limit of \$5,000 will remain in effect for the other components of the Cattle Genetics Program. Mr. Dick moved to adopt this change. Mr. Barlow seconded the motion. The motion passed without dissent.**

## **New Business**

### ***Referral of January Projects<sup>1</sup>***

Roger Thomas presented projects A2007-0487 to A2008-0004 for referral to the Board's February 15, 2008 meeting for review. **Mr. Mahan moved that projects A2007-0487 to A2008-0004 be referred for February 15, 2008 review . Ms. Amburgey seconded the motion. The motion passed without dissent.**

### ***Approval of Model Programs<sup>2</sup>***

Roger Thomas submitted projects requesting funds for county model programs. **Mr. Dick moved that the revised version of the said applications be approved for the named model programs. Mr. Mattingly seconded the motion. The motion passed without dissent.**

### ***Requested Amendments<sup>3</sup> and Withdrawals<sup>4</sup>***

Roger Thomas presented eight requested amendments for approval. **Mr. Hunt moved that the revised version of the said amendments be approved. Mr. Mahan seconded the motion. The motion passed without dissent.**

Nick Whobrey presented a memo concerning A2007-0261 Bluegrass Lamb & Goat, LLC. Bluegrass Lamb & Goat LLC requests \$5,000 in Lincoln County funds. **Dr. Sias moved that A2007-0261 Bluegrass Lamb & Goat, LLC be approved for \$5,000 in Lincoln County funds. Mr. Goodin seconded the motion. The motion passed without dissent.**

Catherine Ball presented a memo from A2007-0116 Hardin County Goat Producers to amend the program to convert it from a Goat and Sheep Model Program to a Menu Approach to the Model Programs project. **Mr. Cleaver moved to adopt this change; Mr. Hunt seconded the motion. The motion passed without dissent.**

### ***Recommendations for Funding***

Nick Whobrey presented A2007-0454, Mercer County Board of Education. Mercer County Board of Education requests \$20,000 in Mercer County funds to assist with the Mercer County High School Agriculture Farm Improvement Project. Mr. Whobrey reviewed the proposed terms and conditions for the project. **H. H. Barlow moved that A2007-0454 be approved for \$10,000 in Mercer County funds. Jim Mahan seconded the motion. The motion passed without dissent.**

Mr. Whobrey presented A2007-0455, Mercer County Board of Education. Mercer County Board of Education requests \$12,850 in Mercer County funds to construct and equip a greenhouse to be located at Mercer County High School. Mr. Whobrey reviewed the proposed terms and conditions for the project. **H. H. Barlow moved that A2007-0455 be approved for \$12,850 in Mercer County funds. Dr. Sias seconded the motion. The motion passed without dissent.**

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<sup>1</sup> A detailed list of the referred projects is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under each model program category is attached as Appendix B.

<sup>3</sup> A detailed list of requested amendments approved is attached as Appendix C.

<sup>4</sup> A detailed list of requested withdrawals approved is attached as Appendix D.

Christi Marksbury presented A2007-0472, Spencer County Board of Education. Spencer County Board of Education requests \$15,000 in Spencer County funds to construct and equip a food processing lab at the Spencer County High School in the Agriculture Department. Ms. Marksbury reviewed the proposed terms and conditions for the project. **Wayne Hunt moved that A2007-0472 be approved for \$15,000 in Spencer County funds. Ms. Amburgey seconded the motion. The motion passed without dissent.**

The board strongly recommended that the staff communicate to the County Councils what the intent of the board is concerning school oriented building projects. The trend in some of the projects has moved away from the intended use of the Kentucky Agricultural Development funds.

Todd Harp presented A2007-0479, Fayette County Rural Land Management Board, Inc. Fayette County Rural Land Management Board, Inc. requests \$100,000 in Fayette County funds to be used for the purchasing of conservation easements on rural farmland in Fayette County. Mr. Harp reviewed the proposed terms and conditions for the project. **Jim Mahan moved that A2007-0479 be approved for \$100,000 in Fayette County funds; Wayne Hunt seconded the motion. The motion passed without dissent.**

Mr. Thomas recognized the staff of Governor's Office of Agricultural Policy.

H.H. Barlow was called on to recognized the work of Keith Rogers and presented him with a plaque and read a resolution concerning him.

The meeting adjourned for lunch at 12:30 pm.

The meeting reconvened at 1:10 pm.

***Recommendations for No Funding***

Nick Whobrey presented A2007-0442, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$20,000 in Green County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Green County. Mr. Whobrey presented the staff recommendation not to fund the project due to a low priority received from the Green County Council. **Mr. Moore moved that A2007-0442 be denied for the requested \$20,000. Mr. Mahan seconded the motion. The motion passed without dissent.**

A2007-0443, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Adair County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Adair County.

A2007-0446, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Fayette County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Fayette County.

A2007-0453, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Woodford County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Woodford County.

A2007-0457, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Breckinridge County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Breckinridge County.

A2007-0459, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Bath County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Bath County.

A2007-0464, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Todd County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Todd County.

A2007-0481, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Menifee County funds to administer a Rural Broadband Wireless Internet program for tobacco farmers in Menifee County. Staff recommended no funding all Voice, Video, & Data Services, Inc. projects due to low priorities received from their counties. **Mr. Moore moved that A2007-0443, A2007-0446, A2007-0453, A2007-0457, A2007-0459, A2007-0464 and A2007-0481 be denied for the requested funds. Mr. Dick seconded the motion. The motion passed without dissent.**

Nick Whobrey presented A2007-0462, Robertson County Conservation District. Robertson County Conservation District requests \$25,000 in Robertson County funds to administer an emergency hay transportation program. Mr. Whobrey presented the staff recommendation not to fund the project based upon the KADB discussion at its September 2007 board meeting not to utilize county funds for cost-share on forage transportation costs. **A motion to move A2007-0462 out of No-Funding and into Pending status was made by John Cleaver. Seconded by H.H. Barlow. Motion passed without dissent.**

#### ***Recommendations for Pending Projects***

The following applications were noted as being in Pending, but no action was taken: Black Patch Cigar Co., LLC (A2007-0473); and Kentucky Wineries Association, Inc. (A2007-0478).

#### ***Recommendations for Deferred Projects***

Per the Executive Director's report this morning A2007-0474, Allied Food Marketers West, Inc. will be Deferred until next month.

Nick Whobrey presented A2007-0477, Greenleaf Plant Food Wholesale, Inc. Greenleaf Plant Food Wholesale, Inc. requests \$4,500,000 in State funds to construct and equip an alfalfa cubing facility. Mr. Whobrey called on Mr. Sparrow from Greenleaf Plant Food Wholesale, Inc. to answer any of the Board's questions. (Handout on file with the board secretary.)

### **Other Business**

#### ***Closing Remarks***

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 a.m. EST on Friday, February 15, 2008 at the State Fair Grounds in Louisville, KY. Note time and location of meeting subject to change. Ample notification will be given if such a change occurs.

Vickie Yates Brown moved to adjourn and go into closed session pursuant to KRS 61.810 to discuss proposed litigation of Project A2007-0132. The motion was seconded by Mr. Mahan. Joel Neaveill, Tim Hughes, Bill McCloskey, Catherine Ball and Nick Whobrey were asked to remain. The meeting reconvened.

**Vickie Yates Brown made a motion to declare Knotwood in default and make all possible efforts for collection. Seconded by Wayne Hunt. The motion passed without dissent.**

The meeting went into closed session to discuss personnel matters. After the discussion the meeting reconvened.

Dean Smith reported on The University of Kentucky study. He suggested that the report be delivered in its entirety at the completion of the entire project. He stated that an extension of four months and additional funding would allow Dr. Infanger, Dr. Mauer, Dr. Henning and the already trained staff to complete a comprehensive study of the program.

Mr. Thomas clarified overnight stays for the board. Any time travel takes them 40 miles away from home and an overnight stay is necessary, they may be compensated for hotel accommodations. This can be overridden by the Executive Director.

The meeting was adjourned at 2:45 pm.

**APPROVED:** \_\_\_\_\_

**PRESIDING OFFICER:** \_\_\_\_\_

**SECRETARY:** \_\_\_\_\_

## APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2007-0487	O'Bryan Grain Farms, Inc.	Project
A2007-0488	Montgomery County Farm Bureau	Agricultural Diversification
A2007-0489	Montgomery County Farm Bureau	Forage Improvement & Utilization
A2007-0490	Rowan County Fiscal Court	Cattle Genetics Improvement
A2007-0491	Rowan County Fiscal Court	Farm Livestock Fencing Improvement
A2007-0492	Lincoln County Farm Bureau	Forage Improvement & Utilization
A2007-0493	Voice, Video, & Data Services, Inc.	Project
A2007-0494	Trigg County Conservation District	Project
A2007-0495	Voice, Video & Data Services, Inc.	Project
A2007-0496	Knox County Soil Conservation District	Forage Improvement & Utilization
A2007-0497	Knox County Soil Conservation District	Farm Livestock Fencing Improvement
A2007-0498	Carlisle County Conservation District	Forage Improvement & Utilization
A2008-0001	Mason County Extension District Public Properties Corporation	Project
A2008-0002	Elliott County District Extension Council, Inc.	Project
A2008-0003	Elliott County District Extension Council, Inc.	Project
A2008-0004	Elliott County District Extension Council, Inc.	Project

## APPENDIX B: Model Programs Recommended for Approval

**Agricultural Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0488	Montgomery County Farm Bureau	Montgomery	\$30,000.00
			<b>\$30,000.00</b>

**Cattle Genetics Improvement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0490	Rowan County Fiscal Court	Rowan	\$10,000.00
			<b>\$10,000.00</b>

**Cattle Handling Facilities**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2008-0006	Harrison County Beef Cattle Association, Inc.	Harrison	\$45,000.00
			<b>\$45,000.00</b>

**Farm Livestock Fencing Improvement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2008-0008	Harrison County Beef Cattle Association, Inc.	Harrison	\$40,000.00
A2007-0497	Knox County Soil Conservation District	Knox	\$35,000.00
A2007-0491	Rowan County Fiscal Court	Rowan	\$5,000.00
			<b>\$80,000.00</b>

**Forage Improvement & Utilization**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0498	Carlisle County Conservation District	Carlisle	\$42,000.00
A2008-0007	Harrison County Beef Cattle Association, Inc.	Harrison	\$80,000.00
A2007-0496	Knox County Soil Conservation District	Knox	\$10,000.00
A2007-0492	Lincoln County Farm Bureau	Lincoln	\$50,000.00
			<b>\$182,000.00</b>

**Hay, Straw, & Commodity Storage**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0489	Montgomery County Farm Bureau	Montgomery	\$12,000.00
			<b>\$12,000.00</b>

Total County Funds Recommended for Approval in Model Programs: **\$359,000.00**

## APPENDIX C: Requested Amendments-Projects & Programs

**App #** A2007-0092  
**Applicant Name** Woodford County Agriculture Advancement Council, Inc.  
**Amount Approved** \$50,000  
**Date** May 18, 2007  
**Requested Change** The applicant requests an additional \$25,203 for a menu approach of the following programs: *Agricultural Diversification, and Farm Livestock Fencing Improvement*. The request received a high priority from the Woodford County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$75,203.

**Recommendation** Approval

**App #** A2007-0121  
**Applicant Name** Oldham County Farm Bureau  
**Amount Approved** \$53,296  
**Date** July 20, 2007  
**Requested Change** The applicant requests an additional \$4,552 for a menu approach of the following programs: *Agricultural Diversification, Cattle Genetics, Cattle Handling Facilities, Dairy Diversification, Farm Livestock Fencing Improvement, Forage Resource Improvement & Utilization, Goat and Sheep Diversification, Hay, Straw & Commodity Storage, Swine Diversification, Technology and Timber Production, Utilization & Marketing*. The request received a high priority from the Oldham County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$57,848.

**Recommendation** Approval

**App #** A2007-0122  
**Applicant Name** Grant County Farm Bureau  
**Amount Approved** \$20,000  
**Date** May 18, 2007  
**Requested Change** The applicant requests an additional \$12,000 for a menu approach of the following programs: *Commercial Poultry, Dairy Diversification, On-Farm Water Enhancement, Swine Diversification, Technology and Timber Production, Utilization & Marketing*. The request received a high priority from the Grant County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$32,000.

**Recommendation** Approval

## APPENDIX C: Requested Amendments-Projects & Programs

**App #** A2007-0126  
**Applicant Name** Lincoln County Cattlemen's Association  
Amount Approved \$25,000  
Date May 18, 2007  
Requested Change The applicant requests an additional \$20,000 for the *Cattle Handling Facilities Program*. The request received a high priority from the Lincoln County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$45,000.  
Recommendation Approval

**App #** A2007-0127  
**Applicant Name** Lincoln County Cattlemen's Association  
Amount Approved \$90,000  
Date May 18, 2007  
Requested Change The applicant requests an additional \$35,000 for the *Hay, Straw, & Commodity Storage Program*. The request received a high priority from the Lincoln County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$125,000  
Recommendation Approval

**App #** A2007-0128  
**Applicant Name** Lincoln County Cattlemen's Association  
Amount Approved \$25,000  
Date May 18, 2007  
Requested Change The applicant requests an additional \$20,000 for the *Forage Resource Improvement & Utilization Program*. The request received a high priority from the Lincoln County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$45,000.  
Recommendation Approval

**App #** A2007-0138  
**Applicant Name** Woodford County Agricultural Advancement Council, Inc.  
Amount Approved \$50,000  
Date May 18, 2007  
Requested Change The applicant requests an additional \$15,987 for a menu approach of the following programs: *Hay, Straw, & Commodity Storage, and Technology*. The request received a high priority from the Woodford County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$65,987.  
Recommendation Approval

## ***APPENDIX C: Requested Amendments-Projects & Programs***

App #	A2007-0365
Applicant Name	The Agriculture Communications Association, Inc.
Amount Approved	\$31,253
Date	September 21, 2007
Requested Change	The applicant requests an <u>additional</u> \$20,800 for the <i>Agricultural Diversification Program</i> . The request received a <u>high</u> priority from the Hardin County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$50,053.
Recommendation	Approval